

## Message Text

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17

ORIGIN COME-00

INFO OCT-01 EUR-25 ISO-00 EB-11 TRSE-00 RSC-01 /038 R

66610

DRAFTED BY: OED/EID/BC&OV:GILPATRIC

APPROVED BY: EB/OCA/REP:LHPOMEROY

STATE:EUR/EE-ESEGALL

COMM:OIM/SE-DJOHNSON (SUBS)

----- 040566

R 212131Z JAN 74

FM SECSTATE WASHDC

TO AMEMBASSY BELGRADE

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E.O. 11652: N/A

TAGS: BDIS, YO

SUBJ: PHILIPP BROTHERS, DIV. ENGELHARD MINERALS AND  
CHEMICALS CORP.

1. SUBJECT FIRM CONTRACTED FOR APPROXIMATELY 100,000 METRIC TONS OF PIG IRON FROM SMEDEREVO (JUGOMETAL) IN LATE 1972 FOR 1973 DELIVERY AT DOLS 54 PER TON WITH COMMITTED SHIPMENT ALMOST ENTIRELY IN ARREARS. BUYER CAN FURNISH CONTRACT COPY AND DOCUMENTATION SUBSTANTIATING THAT DELAY DUE ONLY TO RAPID PRODUCT VALUE RISE IN WORLD MARKETS LAST YEAR.

2. SELLERS DEMANDED DOLS 50 PER TON ADDITIONAL WHICH PHILIPP REFUSED, BUT DID COUNTEROFFER DOLS 15 PER TON INCREASE WHICH MORE THAN COMPENSATED FOR DOLLAR REVALUATION. SELLERS THEN SUGGESTED DOLS 25 INCREASE, BUT WITHDREW THAT NEGOTIATING BASE AND REVERTED TO FULL PREMIUM PAYMENT CONDITION. BUYERS HAD RESOLD ENTIRE QUANTITY AFTER CONTRACT SIGNED AND ARE THEREFORE FACED WITH SERIOUS LOSS IF THEIR COMPROMISE SOLUTION NOT ACCEPTED.

3. PRESIDENT OF PHILIPP APPROACHED FIRST SECRETARY OF GOY EMBASSY HERE ON 1/17/74 WHO SUGGESTED AN APPEAL TO SEVO ZEC OF CHAMBER OF ECONOMY. PHILIPP WILLING TO SEND  
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REPRESENTATIVES FROM MILAN AND LONDON TO PRESENT CASE, BUT

WANT CONFIRMATION OF EMBASSY'S READINESS TO ADVISE AND  
SUPPORT THEIR POSITION. RESPONSE REQUESTED ASAP THIS QUERY.

4. ENGEHARD VERY LARGE AND HIGHLY RESPONSIBLE INTERNATIONAL  
BUSINESS CONGLOMERATE, AND REFUSAL OF JUGOMETAL TO MEET  
CONTRACT TERMS OR REASONABLE ADJUSTMENT THEREOF CAN ONLY HAVE  
UNFORTUNATE RE-PERCUSSIONS. KISSINGER

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NNN

## Message Attributes

**Automatic Decaptioning:** X  
**Capture Date:** 01 JAN 1994  
**Channel Indicators:** n/a  
**Current Classification:** UNCLASSIFIED  
**Concepts:** n/a  
**Control Number:** n/a  
**Copy:** SINGLE  
**Draft Date:** 21 JAN 1974  
**Decaption Date:** 01 JAN 1960  
**Decaption Note:**  
**Disposition Action:** RELEASED  
**Disposition Approved on Date:**  
**Disposition Authority:** morefirh  
**Disposition Case Number:** n/a  
**Disposition Comment:** 25 YEAR REVIEW  
**Disposition Date:** 28 MAY 2004  
**Disposition Event:**  
**Disposition History:** n/a  
**Disposition Reason:**  
**Disposition Remarks:**  
**Document Number:** 1974STATE013151  
**Document Source:** CORE  
**Document Unique ID:** 00  
**Drafter:** OED/EID/BC  
**Enclosure:** n/a  
**Executive Order:** N/A  
**Errors:** N/A  
**Film Number:** n/a  
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**Original Classification:** LIMITED OFFICIAL USE  
**Original Handling Restrictions:** n/a  
**Original Previous Classification:** n/a  
**Original Previous Handling Restrictions:** n/a  
**Page Count:** 2  
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**Previous Handling Restrictions:** n/a  
**Reference:** n/a  
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**Review Authority:** morefirh  
**Review Comment:** n/a  
**Review Content Flags:**  
**Review Date:** 21 MAY 2002  
**Review Event:**  
**Review Exemptions:** n/a  
**Review History:** RELEASED <21 MAY 2002 by boyleja>; APPROVED <29 MAY 2002 by morefirh>  
**Review Markings:**

Declassified/Released  
US Department of State  
EO Systematic Review  
30 JUN 2005

**Review Media Identifier:**  
**Review Referrals:** n/a  
**Review Release Date:** n/a  
**Review Release Event:** n/a  
**Review Transfer Date:**  
**Review Withdrawn Fields:** n/a  
**Secure:** OPEN  
**Status:** NATIVE  
**Subject:** PHILIPP BROTHERS, DIV. ENGELHARD MINERALS AND CHEMICALS CORP.  
**TAGS:** BDIS, YO  
**To:** BELGRADE  
**Type:** TE  
**Markings:** Declassified/Released US Department of State EO Systematic Review 30 JUN 2005